Disinvestment in Neyveli Lignite Corporation

1787. SHRIMATI S.G. INDIRA: Will the Minister of COAL be pleased to state:

(a) whether it is a fact that Government had taken a decision to make disinvestment of 10 per cent of Government's equity in Neyveli Lignite Corporation;

(b) if so, the details thereof;

(c) whether it is also a fact that Government have decided on capacity expansion of various open cast projects; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO): (a) and (b) The issue of disinvestment of 10 per cent equity of Neyveli Lignite Corporation Limited out of the Government's holding is under consideration of the Government. A final decision is yet to be taken in this regard.

(c) and (d) Yes, Sir. The Government has sanctioned the following two projects for implementation by Neyveli Lignite Corporation Limited:—

(1) Neyveli Mine-II expansion of 4.50 million tonnes per annum.

(2) Barsingsar Lignite Mine of 2.10 million tonnes per annum.

Rising Coal Stocks

1788. SHRIMATI S. G. INDIRA: Will the Minister of COAL be pleased to state:

(a) whether it is a fact that the Coal India Ltd. finds itself saddled with rising coal stocks;

(b) whether it is also a fact that at least five of its seven coal producing subsidaries are carrying an inventory that might be the highest in a decade; and

(c) if so, the steps taken by CIL to liquidate this rising stock of coal?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO): (a) Yes, Sir. However, the present stock is less than the quantity stipulated in the stock policy of Coal India Limited (CIL) which is equivalent to one month production.

(b) and (c) No, Sir. The highest coal stock of CIL was 29.95 million tonnes as on 1.4.1999 as compared to present coal stock of 26.09 million tonnes (provisional) as on 1.3.2006. CIL has increased the sale of coal under e-auction and the Thermal Power Stations (TPSs) have been advised to stock coal at the normative level in order to liquidate the stock.

Committee on revision of Royalty on Coal

1789. SHRIMATI N.P. DURGA: Will the Minister of COAL be pleased to state:

(a) whether the Committee that has been set up to look into the Revision of Royalty given on coal has submitted its report;

(b) the recommendations made by the Economic Advisory Council to the Prime Minister with regard to payment of royalty on coal at ad-valorem basis or the tonnage basis;

(c) whether it is also not a fact that the Mines and Minerals Act, 1957 obligate the Central Government to revise the royalty in very three years; and

(d) if so, the reasons for Government not increasing the royalty automatically after every three years?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO): (a) No, Sir.

(b) The Economic Advisory Council to the Prime Minister has made a recommendation wherein royalty rate is sought to be fixed as a combination of a fixed and a variable component.

(c) and (d) The Section-9(3) of the Mines and Minerals (Development and Regulation) Act, 1957 provides that the Central Government shall not enhance the rate of royalty in respect of any mineral more than once during any period of three years. As such, it is not mandatory to revise the royalty after every three years. The Government revises the rate of royalty on coal after taking into consideration, the views of all stake holders *viz.* the coal producing States, the major coal consumers and keeping in mind the impact of such revision on the overall economic growth of the country.